

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Zone USA, Inc.)	
)	
Application for Authority Pursuant to)	
Section 214 of the Communications Act,)	File No. ITC-214-_____
as Amended, to Provide Global Facilities-)	
Based and Resold Switched and Private)	
Line Telecommunications Services)	
between the United States and All)	
Permitted International Points)	

APPLICATION

Zone USA, Inc. ("Zone USA" or "Applicant"), by its attorneys and pursuant to Section 214 of the Communications Act, as amended, and Section 63.18 of the Commission's rules, hereby requests authority to provide global facilities-based and resold telecommunications services between the United States and all permitted international points. 1/ In order to qualify for streamlined processing under Section 63.12 of the Commission's rules, Zone USA will demonstrate in this application that it is entitled to a presumption of non-dominance under Section 63.10(a)(3) because its affiliated foreign carriers lack sufficient market power to adversely affect competition in the United States.

1/ As permitted by Section 63.21(i) of the Commission's rules, Zone USA will provide service through its wholly-owned direct affiliate, Zone Telecom, Inc. ("Zone Telecom").

INTRODUCTION

Zone USA is an indirect wholly-owned subsidiary of e-Kong Group Limited (“e-Kong Group”), a Hong Kong-based Internet and telecommunications company that, through affiliates, engages in the resale of international telecommunications services in Hong Kong and Singapore. e-Kong Group provides service through a unique scalable and portable service portal that provides its customers with access to a wide range of international carriers at a single source, thereby enabling users to select the most competitive prices for their calls.

Grant of the authority requested herein will facilitate competition in the provision of international telecommunications services in the United States. As explained above, Zone USA's corporate parent, e-Kong Group, is a leader in the development and deployment of innovative competitive telecommunications service offerings that aim, above all, to provide customers with flexibility and choice. Zone USA will be guided by the same principles as it enters the telecommunications marketplace in the United States. Grant of Zone USA's application is therefore in the public interest.

REQUIRED INFORMATION

In fulfillment of its request seeking authority to provide telecommunications services between the United States and all permitted international points, Zone USA submits the following pursuant to Section 63.18 of the Commission's rules:

(a) Name, Address and Telephone Number of Applicant

Zone USA, Inc.
279 Harvard Street, Suite 21
Cambridge, Massachusetts 02139
617-876-3002

(b) Place of Incorporation

Zone USA is a business corporation organized under the laws of the State of Delaware.

(c) Contact Points

Correspondence concerning this application should be addressed to:

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A copy of all such correspondence should also be addressed to:

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Yaron Dori
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Fax: 202-637-5910
E-mail: mjrosenstein@hhlaw.com
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(d) Existing Section 214 Authorizations

Zone USA has not previously received authorization under Section 214 of the Communications Act, as amended, to provide service in the United States.

(e) Requested Section 214 Authorizations

By this application, Zone USA is requesting authority to:

- (1) operate as a global facilities-based international common carrier in order to provide basic switched and private line telecommunications services to customers between the United States and all permitted international points and certifies that it will do so pursuant to the terms and conditions of Sections 63.21 and 63.22 of the Commission's rules; and
- (2) resell the international services of authorized U.S. common carriers for the provision of basic switched and private line telecommunications services to customers between the United States and all permitted international points and certifies that it will do so pursuant to the terms and conditions of Sections 63.21 and 63.23 of the Commission's rules.

(f) Separate Applications or Authorizations

At this time, Zone USA does not seek any authorization available under Section 68.13(e) other than those described above.

(g) Environmental Statement

Zone USA is not seeking facilities-based authority under Section 63.18(e)(4) of the Commission's rules. Accordingly, a determination relating to Zone's obligation to file an environmental assessment is not included in this application.

(h) Ten Percent or Greater Shareholders and Interlocking Directorates

The names, addresses, citizenships and principal businesses of all persons or entities that directly or indirectly own at least ten percent of Zone USA's equity, and the percentages owned by each of those entities (to the nearest one percent) can be found in Attachment A hereto. A diagram of Zone's corporate structure can be found in Attachment B hereto.

A chart reflecting Zone USA's interlocking directorates with foreign carriers can be found in Attachment C hereto.

(i) Foreign Carrier Designation and Affiliations

Zone USA certifies that it is not a foreign carrier within the meaning of Section 63.09(d) of the Commission's rules.

Zone USA certifies that it is affiliated (as defined in Section 63.09(e) of the Commission's rules) with foreign carriers in Hong Kong and Singapore.

(j) Affiliations with Foreign Carriers in Destination Countries

(1) Zone USA certifies that it is not a foreign carrier (as defined in Section 63.09(d) of the Commission's rules) in any proposed destination country.

(2) Zone USA certifies that it does not itself control any foreign carrier (as defined in Section 63.09(d) of the Commission's rules) in any proposed destination country.

(3) Zone USA certifies that its indirect parent, e-Kong Group Limited, indirectly controls the following carriers:

<u>Name of Carrier</u>	<u>Country</u>
TelaPortal Limited	Hong Kong
TelaPortal Singapore Pte Ltd.	Singapore

(4) Zone USA certifies that two or more foreign carriers (or parties that control foreign carriers) do not own, in the aggregate, more than 25 percent of Zone or are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing or international basic telecommunications services in the United States.

(k) Affiliate Market Power in Foreign Countries or Membership in WTO

Hong Kong and Singapore are members of the WTO.

(l) Affiliations with U.S. Carriers

Zone USA, through its directly owned affiliate, Zone Telecom, plans to provide facilities-based services as well as resell the international switched services of unaffiliated U.S. carriers for purposes of providing international telecommunications services from points in the United

States to all permitted foreign countries. Zone USA's affiliated foreign carriers on these routes are not monopoly providers of telecommunications services. In fact, all of Zone USA's affiliated foreign carriers are new market entrants that do not exercise bottleneck control or market power in the foreign countries in which they operate. Because these affiliated foreign carriers lack 50 percent market share in the international transport and local access markets on the foreign end of their routes, Zone USA is presumptively classified as non-dominant within the meaning of Section 63.10(a)(3) of the Commission's rules.

(m) Qualification for Non-Dominant Classification

Zone USA desires to be regulated as a non-dominant carrier on all international routes. Non-dominant classification under Section 63.10 of the Commission's rules is appropriate because, as stated above, Zone USA's affiliated carriers on these routes are not monopoly providers of telecommunications services; are in fact new market entrants that do not exercise bottleneck control or market power in the foreign countries in which they operate; and lack 50 percent market share in the international transport and local access markets on the foreign end of the routes, thereby presumptively qualifying Zone USA as non-dominant within the meaning of Section 63.10(a)(3) of the Commission's rules. Should the Commission require further support for this proposition, it should contact Zone USA's counsel.

(n) No Special Concessions

Zone USA certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such arrangements in the future.

(o) Denial of Federal Benefits

Zone USA certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(p) Eligibility for Streamlined Processing

This application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's rules, and in particular Section 63.12(c)(1)(ii), which states that an applicant is eligible for streamlined processing even if it is affiliated with a foreign carrier in a destination market so long as the applicant qualifies for a presumption of non-dominance under Section 63.10(a)(3) of the Commission's rules. Zone USA qualifies for this presumption, as described above in section (m) of this application.

CONCLUSION

Zone USA certifies that all of the information submitted in this application is accurate and correct. Accordingly, Zone USA respectfully requests that the Commission grant this application on a streamlined basis.

Respectfully submitted,

ZONE USA, INC.

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Its attorneys

Dated: July 14, 2000